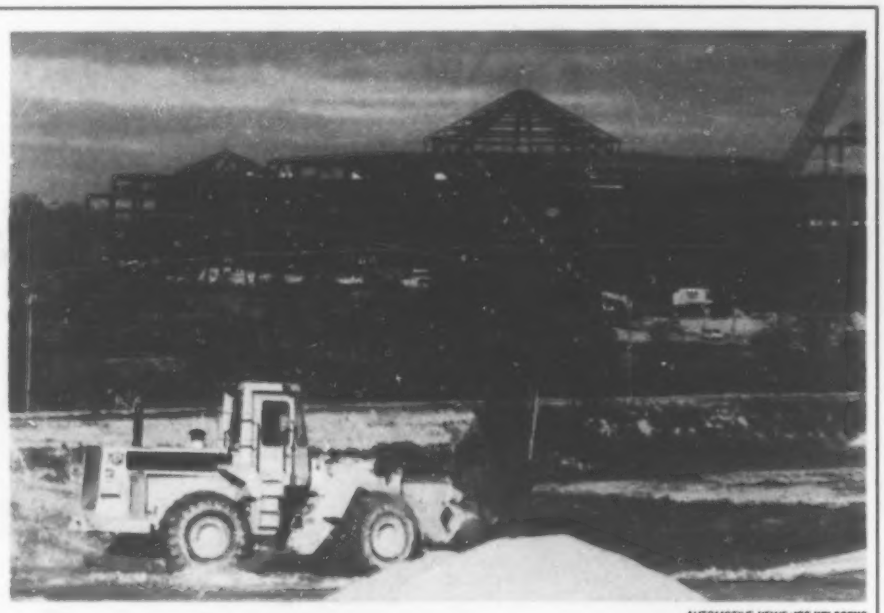
Chrysler tech center
The steel profile of Chrysler's technology center is emerging in Auburn Hills, Mich. The center, on a 500-acre site in the northern Detroit suburb, represents Chrysler's largest investment in a non-manufacturing facility. Chrysler and its suppliers are investing $800 million in the development. Of the total, $675 million will be for Chrysler's 2.6-million-square-foot center and a product evaluation road. The remainder is earmarked for an adjacent supplier park. Chrysler's technology center, scheduled to open in 1990 or 1991, eventually will employ 6,000.



AUTOMOTIVE NEWS/JOE WILSSENS

No uproar due as NADA picks leaders

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Little real controversy appears to be brewing for the National Automobile Dealers Association board of directors meeting in Pebble Beach, Calif., next week.

The 58 directors are expected to ratify the next generation of leadership for the 20,000-member organization and discuss issues related to the growth and unification of the national dealer movement.

"I don't expect any surprises or problems," NADA President Jimmy C. Payton said last week. "I think it will be a quiet meeting — but then that's always when I'm caught by surprise."

Other directors contacted last week foresaw no problems, controversy, or difficulties likely to arise.

The final agenda will be mailed to NADA directors this week. In addition to regular business, Payton said last week he hopes that after Congress recesses, NADA will be able to put "a great deal of emphasis" on ethics in advertising by new-car dealers.

"It is getting more attention from state and local governments," Payton said, "and we need to address it."

One of the items on the agenda at the directors' meeting will be the election of officers who will take office at the NADA national convention in New Orleans Jan. 28-31, 1989.

Ron Tonkin, nine-franchise dealer in Portland, Ore., who was elected first vice president last October, will almost certainly be elected 1989 president.

Unlike last year when there were four candidates for 1988 first vice president, next week's election features a single candidate nominated by the board's nominating committee — Ray Green, the NADA director from Illinois.

Green, 60, is president of the nine-franchise Green Holding Co. in Jacksonville, Ill. He has been a new-car dealer since 1958 and an NADA director since 1980. His past NADA offices include secretary and Region III vice president plus trustee and fund-raising chairman of the Dealers Election Action Committee, NADA's political arm.

It is not likely a candidate will be nominated from the floor or offered as a write-in candidate, most directors said. That means Green is virtually assured of becoming first vice president in 1989 and — almost as certainly — president in 1990.

"He is very popular and no one wants to run against him," said James T. Caplinger, NADA immediate past president and chairman of the nominating committee. "I tried to get other candidates to run because it's good to have more than one candidate," Caplinger said, "but there is no opposition."

However, there is a horserace for the position of secretary. There are three candidates: William S. Dodge, 45, a six-franchise dealer from Falmouth, Maine; Robert E. Moody, 62, a Chevrolet-Buick-Pontiac-Oldsmobile dealer from River Falls, Wis.; and Syl J. Schumacher, 61, NADA Region III vice president and a Ford-Lincoln-Mercury-Dodge-Chrysler-Plymouth dealer from Linton, N.D.

The candidates have been campaigning since they were nominated in June.

In addition, the directors also will elect new members to the enlarged finance committee, plus a treasurer, insurance fund trustees and retirement fund trustees.

Another matter likely to be discussed at the Pebble Beach meeting is the status of merger talks between NADA and the American International Automobile Dealers Association.

High-ranking officials from NADA and AIADA — including NADA's Payton and Tonkin and AIADA Chairman Lee Seidman — held preliminary talks in July, just after the last NADA directors' meeting.

Payton said last week that he has no meetings scheduled with AIADA before the directors meet next week.

There is likely to be discussion about mandatory dealer ad association membership and "taxation" imposed by some manufacturers, as well as the status of the NADA professional staff, which has been hit with a number of departures and changes this year, including the resignation of John J. Ferron. Ferron, an NADA vice president, was the second-ranking professional staff member. He has not been replaced.

"I don't think anyone anticipated the (staffing) upheaval," Payton said, "but I think in every instance the restructuring strengthened our organization."

Payton said the executive committee has kept the directors abreast of developments.

There also will be reports by standing committees, with some special attention to the success of NADA's current image-development initiative — fostered by Payton — that includes an ad campaign and the NADA president's show on the Automotive Satellite Television Network.

Ford on watch to buy firms, but won't rush

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

WHITE SULPHUR SPRINGS, W. Va. — Ford Motor Co. is in no rush to spend the $10.2 billion cash balance it had on hand as of mid-year 1988. But diversification into non-automotive businesses is high on the list of spending possibilities.

"We believe it would be desirable if we can find ways to moderate the automotive (market) cycle by diversification, adding businesses that would have a different pattern as far as financial results are concerned — and, ideally, with more growth or growth potential," Ford Chairman Donald E. Petersen said last week. His remarks came during an informal conversation following his speech at the fall meeting of SAE's Detroit section.

"The area in which we've had real success so far has been financial services, and we've been quite pleased with the progress we've made there," Petersen said.

"Whether and when we would take additional steps, I wouldn't want to conjecture. But it is conceptually, I think, a good thing for the company and our shareholders to find a way to broaden our base.

"But that by no means would indicate we'd do anything other than visualize Ford as having a core business that is automotive."

Ford's interest in a financial services purchase helped fuel speculation last week that the company could be ready to acquire Dean Witter Reynolds, the stock brokerage division of Sears Roebuck & Co. Sears shares rose $2.125 Thursday on the rumors. Spokespersons at Ford and Dean Witter would neither confirm nor deny the reports.

The Ford chairman also is mindful of vehicle manufacturing capacity — his own company's and that of Japanese transplants in the United States.

"There's no question we could have sold more trucks in the North American market this year," Petersen said. "In trucks, we need (more) capacity. We have plans. We've announced some of them that will help us as far as capacity is concerned."

They include the addition of a second shift at the company's Wayne, Mich., truck plant and expansion of a light-truck transmission plant in Sharonville, Ohio.

"And we've now come to an agreement with Nissan, which will add to our capability," he said. In September, Ford and Nissan announced plans to build minivans at Ford's truck plant in Avon Lake, Ohio.

Petersen said he believes Ford's passenger-car production capability is in good shape.

"I think we have tracked quite well as far as cars are concerned, in terms of trying to judge just what capacity we need in relation to our demand," he said. "We went up strongly in our (market) share from '86 to '87, and again from '87 to '88. That says to us that with cars, overall, we're still in pretty good balance."

Asked whether he is concerned about additional Japanese transplant operations coming on stream during the next 18 months, compounding what industry observers see as a glut of vehicle-manufacturing capacity in the United States, Petersen said, "It's one more cranking up of several notches of competitive intensity. But excess capacity is a problem only for the companies that have it."

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TRY AGAIN: *GM to scrap salaried-pay experiment; opponents claim idea has not worked*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors plans to scrap the salaried compensation plan put into place only last year that based raises on performance.

It is not known how GM will replace the performance-based pay system. A GM spokesperson would say only that the salaried compensation structure is reviewed annually, and GM's 114,000 U.S. white-collar employees would be notified by year-end if any changes are to be made for 1989.

However, high-ranking sources within the company said the change is in the works.

Some GM executives complain the performance pay structure hasn't worked. It has not fostered the teamwork spirit that GM has tried to instill in salaried workers, they said.

A group of salaried workers has threatened to sue GM because, they say, older employees are discriminated against on raises.

Thomas Williamson, a salaried GM worker who filed a complaint with the U.S. Equal Employment Opportunity Commission in June over the system, advertised a meeting for disgruntled salaried workers. About 100 people attended last week's meeting to discuss the possibility of a class-action suit. No decision has been made on filing such a suit.

Key proponents of the performanced-based pay structure are no longer employed by GM. Roy S. Roberts, former vice president in charge of the personnel administration and development staff, and his mentor, Elmer Johnson, former executive vice president, have departed.

Johnson, reportedly frustrated with the slow pace of change at GM, last spring returned to the Chicago law firm he worked for before joining GM in the early 1980s. Roberts, who skipped several rungs of the GM corporate ladder upon Johnson's recommendation, took a top management job at Navistar International.

The performance-based pay system was put into effect for 1988. It was designed to force GM's white-collar workers to "carry their own weight," Roberts said in a January interview.

Under it, some employees received no raises — weak performers, those without great potential and strong performers who were already at the top of their pay range.

In a study by GM of other large companies, GM said it found it was overpaying employees in the lowest five levels by 15 to 25 percent. That meant fewer employees in the lower salaried ranks received raises.

The study found that employees at levels 6 to 8 were paid slightly above the competition.

The salaried pay package for 1988 also contains profit sharing based on GM's U.S. profits and sales. It also includes recognition awards, which can be cash or be a non-cash item like tickets to a sporting event or gift certificates for dinner.

For 1988, GM set aside 2.5 percent of its salaried payroll for merit increases plus 3.5 percent for recognition awards. That compares with 3.5 percent for all performance pay allocated in previous years. GM does not reveal the size of its payroll.

GM, Ford fire up incentives on big batch of '89s

By Laura Clark
and Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors and Ford Motor Co. wasted little time in following Chrysler Motors with incentives on 1989 cars and trucks last week. Both placed consumer rebates on selected models.

Every GM vehicle division except Cadillac announced rebates for selected vehicles. Ford, meanwhile, revised its week-old rebate program and added 1989 trucks. Its program for 1988 cars is unchanged.

Mitsubishi Motor Sales of America also has launched a series of regional incentives for dealers. They offer cash for 1988 cars and for 1988 and 1989 pickups and vans.

BUICK: The division is offering $750 on 1988 Electra/Park Avenue and 1988 Regal. In place of the rebate, Regal buyers may select loans with 3.9 percent interest for 24 months; 5.9 percent, 36 months; 8.9 percent, 48 months; or 9.9 percent, 60 months.

Buick is offering $500 rebates on 1989 Centurys and Skylarks. That is in addition to option package discounts of as much as $1,200 on Skylark and $1,000 on Century.

No dealer financial participation is required. Customers may order cars or purchase from dealer stock, but cars must be delivered by Dec. 31.

CHEVROLET: In a revised national program and new regional programs, Chevy is offering $750 rebates nationwide on 1989 Caprice models until Dec. 25. It is also giving buyers $500 on 1989 S-10 pickups (including EL models) and cab chassis.

The 1989 S-10 Blazer has a $400 rebate on two-wheel-drive models and a $600 rebate for 4wd units. The 1989 C/K full-sized pickup and cab chassis have a $300 rebate.

The truck incentive runs until Nov. 30 and requires no dealer financial participation.

Chevrolet's new national program includes option-package discounts on a variety of 1989 cars and trucks. Included are: $200-$300 savings on Cavalier Value Leader; $500-$800 on Cavalier RS coupe, sedan and wagon; $400-$800 on Cavalier wagon; $700-$800 on Cavalier Z-24 coupe; $700-$1,000 on Cavalier Z-24 convertible; $900-$1,300 on Corsica LTZ; and $600-$1,300 on Corsica hatchback and sedan.

Also: $1,100-$1,500 on Beretta GT; $600-$1,500 on Beretta; $1,100-$1,500 on Beretta GTU; $1,500-$1,900 on all Camaros; $675-$1,100 on Celebrity; $500 on Caprice Classic Brougham, including the LS; and $1,300-$1,900 on C/K 1500 pickups equipped with manual transmission.

Also: $1,100-$1,400 on C/K 1500 equipped with manual transmission and extended cab; $1,000-$1,700, on C/K 2500 equipped with manual transmission; $900-$1,400 on C/K 2500 equipped with manual transmission and extended cab; $1,000-$1,500 on C/K 3500 equipped with manual transmission; and $900-$1,400 on C/K 3500 equipped with manual transmission and extended cab.

Buyers in Maine, Massachusetts, New Hampshire, Vermont, Rhode Island, Connecticut, New York and New Jersey receive a $300 rebate or free automatic transmission on 1988 and 1989 Cavaliers. There is no dealer financial participation.

Buyers in California, Texas and Florida receive a $500 rebate on 1988 and 1989 Camaro RS and 1988 Camaro sport coupes. The program includes both retail and lease vehicles.

Buyers in Texas, Oklahoma and Louisiana can receive option-package discounts ranging from $1,700 to $1,900 on C/K pickups equipped with manual transmission. No dealer financial participation is required, and the program includes both retail and lease vehicles.

The regional programs run from Oct. 1 to Dec. 31.

FORD: Ford added 1989 trucks to its one-week-old incentive program. Ford placed a $300 rebate on 1989 F-series trucks equipped with manual transmission. A $300 rebate is also available on 1988 F-series trucks. The F-series incentive ends Dec. 5.

Ford also increased the rebate on the Ranger S from $300 to $500. All 1988 Rangers now have a $500 rebate until Nov. 24.

Consumers must purchase eligible vehicles from dealer stock. There is no dealer financial participation in the new Ford program.

GMC TRUCK: GMC Truck is offering rebates on 1989 models through Nov. 30. It is offering $600 on 2wd and 4wd S-15 Jimmys; $500 on S-15 compact trucks including commercial cabs and chassis models; $300 on Sierra C/K full-sized pickups including commercial cab and chassis; and $300 on R/V series full-sized pickups including four-door and commercial cab and chassis.

No dealer financial participation is required. Vehicles must be purchased from dealer stock.

OLDSMOBILE: Oldsmobile is offering rebates on selected 1988 and 1989 models. Included are: $500 on 1989 Cutlass Calais, Cutlass Ciera and Cutlass Supreme; $600 on 1988-89 88 Royale; $750 on 1988-89 98; $1,000 on 1989 Touring Sedan and Toronado; and $1,000 on 1989 Trofeo.

The rebates are for cars purchased from dealer stock or ordered and delivered by Nov. 30.

In addition to those rebates, Olds is offering buyers of its 1988 Cutlass Supreme $1,000 or GMAC financing of 3.9 percent for 24 months; 5.9 percent, 36 months; 8.9 percent, 48 months; or 9.9 percent, 60 months.

PONTIAC: Pontiac launched "Excitement Kickoff '89," which offers rebates on selected 1989 models until Jan. 3.

The rebates are offered on purchased and leased vehicles: $600 on Bonneville; $500 on Pontiac 6000, Grand Prix (except SE models), Grand Am and LeMans (except Value Leader models); and $350 on Firebird. Customers may order a car, but they must take delivery by Jan. 3. No dealer financial participation is required.

MITSUBISHI: A dealer program offers cash for 1988 cars and 1988-89 pickups and vans.

Dealers in the Northeast and Southwest regions receive $1,000 for each Cordia and Starion sold, and $500 for each Sigma.

Dealers get $250 per unit if they sell two or more three-door Precis models, and $500 per unit if they sell two or more five-door models.

They receive no money for the first five pickups and vans; however, the payment is $500 each for 6-25 units; $750 each for 26-50; and $1,000 each for 51 and above.

The program also pays a $2,000 bonus for each wagon, $1,000 per Montero and $1,500 for each Montero Sport model.

The program for dealers in the Western Region is the same with one exception — the bonus on the 1988 wagon is $1,000.

The program for dealers in the Southeast Region offers the same payments for Precis but lumps Cordia, Starion and Sigma sales for volume-attainment payments.

Dealers receive $750 per unit for the first 25 combined Cordia-Starion-Sigma sales; $1,000 per unit for 26-50; and $1,500 per unit for 51 and above.

The program also lumps sales of 1988-89 pickups and vans and 1988 wagons and Monteros. Mitsubishi said wagon and Montero sales will count toward volume attainment, but no payments will be made. Dealers will be paid nothing for the first five combined sales; $500 per pickup or van for 6-25 combined sales; $750 for 26-50 units; and $1,000 for 51 and above.

Western region dealers also will receive a $2,000 bonus per wagon sold, $1,000 per Montero and $1,500 for each Montero Sport.

Sales of U.S.-built cars jump 21.6%

By Philip Martin
AUTOMOTIVE NEWS STAFF REPORTER

Early-October sales of U.S.-built cars surged 21.60 percent ahead of the year-ago period because of an infusion of incentives.

U.S.-built car and light-truck deliveries for Oct. 1-10 were 279,112, up 16.93 percent from 238,707 a year ago.

Ford's domestic car and truck total rose 32.91, and GM's total was up 16.38 percent. Chrysler Motors' car and light-truck total slipped 1.17 percent, and Nissan's transplant car and truck sales dropped 36.33 percent.

There were 183,652 domestically produced cars sold in the first 10 days of October vs. 151,043 a year ago. The daily selling rate was 22,957, up 36.79 percent from last year's 16,783. This year's period had eight selling days; last year's, nine.

In the first 10 days, Ford sold 51.07 percent more U.S.-built cars than it did last year; Honda transplant car sales rose 27.21 percent; GM climbed 17.07 percent. Chrysler dipped 0.60 percent.

Toyota's transplant car sales fell 46.81 percent, and Nissan's were off 53.32 percent from last year's comparable period.

U.S.-built light-truck sales rose 8.89 percent in early October — 95,460 vs 87,664. GM and Ford were up; Chrysler sales declined.

DOMESTIC SALES

	Oct. 1-10, 1988	Oct. 1-10, 1987
Eagle	1,149	656
Chrysler	4,901	9,187
Plymouth	6,897	6,627
Dodge	11,619	8,244
Chrysler Motors	24,566	24,714
Ford	42,944	26,066
Mercury	10,281	8,826
Lincoln	5,182	3,770
Ford Motor Co.	58,407	38,662
Buick	14,766	11,589
Cadillac	6,012	7,476
Chevrolet	33,334	27,648
Oldsmobile	17,089	15,397
Pontiac	18,962	14,922
General Motors	90,163	77,032
Volkswagen	—	805
Honda	8,630	6,784
Nissan	1,005	2,153
Toyota	475	893
Mazda	366	—
U.S. Industry Total	183,652	151,043

Toyota woos Midwest

It's important in quest for million sales

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Toyota will continue to increase its presence in the United States, thanks largely to a booming Midwest economy, a greater number of U.S.-built Toyotas and a growing acceptance of Japanese-nameplated vehicles throughout the heartland.

AUTOMOTIVE NEWS: JOE WILSENS

McCurry expects "a shoot-out year"

Also aiding Toyota in its quest for more sales are new products for 1989, chief among them the flagship Cressida sedan and a redesigned pickup truck family.

"We anticipate this will be a shoot-out year," said Robert McCurry, Toyota Motor Sales U.S.A. executive vice president. "But we're looking forward to a very good year."

For the 1989 calendar year, Toyota executives are predicting industry car sales will reach 10.2 million units, while light-truck sales will add another 5 million.

He also said that by 1995, Toyota plans to sell 1.5 million cars and trucks annually in the United States, including some 130,000 Lexus cars from its upmarket division.

Traditionally, Toyota has enjoyed strong sales along each of the nation's seaboards. It has captured 11 percent of the car and truck market on the West Coast (12 percent in California) and 8 percent on the East Coast.

McCurry said the time is ripe to move into the Midwest, as the region's economy has surged, due in part to foreign investment.

McCurry credited competitor Honda with helping pave the way with its job-producing plant in Marysville, Ohio, and its more than 10-year history there.

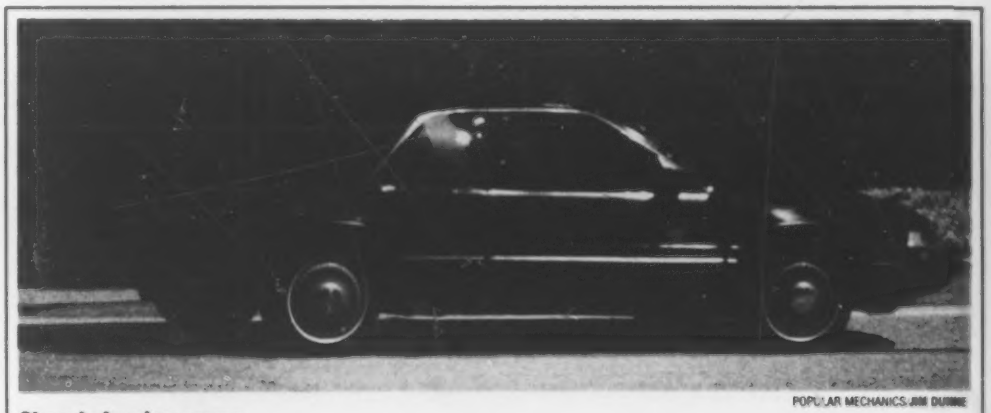
Toyota expects to sell 935,000 cars and trucks in calendar 1988 and predicts sales will rise to slightly more than 1 million in calendar 1989 aided by the addition of North American manufacturing plants producing Toyota vehicles, McCurry said.

He said the company hopes to gain a significant portion of the import-car market during the short and long terms.

The new Georgetown, Ky., manufacturing plant will be able to produce about 200,000 Camry sedans. Add to that the production at the joint-venture facility with General Motors in Fremont, Calif. — 100,000 Corolla sedans — and a new Canadian plant scheduled to come on line next year in Cambridge, Ontario, and Toyota is poised to make its market assault.

For the company to achieve its 1.5 million sales forecast in 1995, a new U.S. truck plant would have to produce 250,000 to 300,000 vehicles, McCurry said. He said the parent company should announce the plant's location by year's end.

With [illegible] that expansion, Toyota has been signing new dealers — a first since the export quotas hit in 1981. The company, now with some 1,100 dealers, expects to reach 1,175 by year-end 1989.



POPULAR MECHANICS: JIM DUNNE

Chevy's Lumina coupe

Chevrolet's 1990 Lumina coupe pick ups a few styling cues from the Beretta and Buick's Reatta. Note the sloping hood and fender lines, a la Beretta, and the high, wraparound rear-light treatment, a Reatta highlight. A four-door sedan bows next spring while the coupe is aimed for a fall 1989 intro. The car replaces the aging Celebrity.

Recreational Vehicle Wholesale Deliveries

	July 1988	July 1987	% change	7 mos. 1988	7 mos. 1987	% change
Travel trailers	4,800	5,100	– 5.9	39,400	39,600	– 0.5
Park Trailers	500	500	+ 0.0	4,300	3,600	+19.4
Travel trailers—fifth wheel	2,200	2,200	+ 0.0	19,300	15,800	+22.2
Folding camping trailers	2,800	3,200	–12.5	25,900	25,000	+ 3.6
Truck campers	900	700	+28.6	7,100	6,400	+10.9
Towable RV total	11,200	11,700	– 4.3	96,000	90,400	+ 6.2
Conventional (type A)	3,100	3,300	– 6.1	24,500	23,200	+ 5.6
Van Campers (type B)	400	500	–20.0	3,200	3,800	–15.8
Chopped vans (all)	1,900	2,100	– 9.5	16,100	16,900	– 4.7
Motor home total	5,400	5,900	– 8.5	43,800	43,900	– 0.2
Van conversions	16,100	14,800	+ 8.8	120,700	112,900	+ 6.9
TOTAL ALL RVs	32,700	32,400	+ 0.9	260,500	247,200	+ 5.4

Source: Recreation Vehicle Industry Association

RVs continue hot pace; July's shipments inch up

RV wholesale shipments increased slightly in July from their year-earlier levels, and 1988 as a whole is on track to turn in the best calendar-year performance of the decade.

The van-conversion segment continued to score stronger gains in July and for the first seven months of the year than the industry as a whole.

RV manufacturers wholesaled 32,700 units in July, a 0.93 percent increase over the 32,400 reported in like 1987.

For the first seven months of the calendar year, the industry shipped 260,500 units, 5.38 percent more than the 247,200 reported a year earlier, according to the Recreation Vehicle Industry Association.

Year-to-date through July, the industry maintained a seasonally adjusted rate of 425,000 shipments, the highest level during the 1980s.

Wholesale shipments of customized-van conversions totaled 16,100 in July, up 8.78 percent from 14,800 a year earlier.

Year-to-date through July, 120,700 van-conversion shipments were reported, up 6.91 percent from 112,900 a year ago.

Chassis availability, as measured by RVIA's seat-delete option survey, was slightly ahead for the month but remained slightly behind on a year-to-date basis.

Detroit manufacturers shipped 15,400 van chassis to converters in July, up from 15,000 in the year-earlier period.

They also shipped 126,500 chassis to converters during the January-July period, off 0.39 percent from the 127,000 moved a year earlier. Full-sized van chassis accounted for most of the shipments.

Manufacturers shipped 11,800 full-sized van chassis to converters in July, slightly off the pace of 12,000 a year earlier. For the seven-month period, they shipped 97,300 full-sized chassis, down 5.63 percent from 103,100 a year earlier.

Ford 'to get closer' to converters

Chevy winds up picking consignment-pool firms this month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet is close to finalizing its new van chassis distribution program, while Ford is studying possible changes of its own.

Ford Motor Credit Co. may adopt the financing portion of the Chevrolet program by next April, according to industry sources.

Ford officials recently visited some dealers and van converters in the Elkhart, Ind., area to assess the new Chevrolet program, said James Ludlow, Ford Division light-truck sales promotion manager.

But Ludlow denied reports that Ford Credit would become more heavily involved in the van-conversion business, saying the company had reached no conclusions about what it might do and was, in fact, still studying and researching the whole issue of whether any changes should be made.

"To my knowledge, there are no plans to make any changes at this point in time," Ludlow said, adding that if there were, he would likely know about them.

Ford does, however, plan to "get closer" to van converters, though in what manner hasn't been determined, Ludlow added.

"As a general rule, we looked at the issue of whether to get closer to converters or farther away from them. And we decided that since the customer views us (as a chassis manufacturer) almost interchangeably with the final conversion product, we'd better get closer," Ludlow said.

"But it doesn't follow that you'd have to do something different with (chassis) distribution. There are lots of ways to get closer to converters without authorizing some — and not others — to do conversions."

Some industry sources have said that, during the next couple years, all chassis manufacturers will have to exert tighter controls over the way van conversions are put together because of more stringent federal regulations in the offing.

Meanwhile, Chevrolet has already approved more than 70 new companies for its consignment pool system under its new program, giving it a total of 123 factory-approved van converters as of early October.

Thomas Pfingst, assistant director of fleet and RV sales, estimated the division might end up with 150 to 175 converters by the time its selection process is completed at the end of this month.

As part of the selection process, Chevrolet and General Motors Acceptance Corp. inspected the plant operations and premises of 165 applicants and reviewed their financial qualifications.

It was, as Pfingst noted, "a yeoman's job" to bring the program on line during a short time period, considering the "constraints and pressures" on the various GM personnel involved. GMAC became integrated into the selection process — making it essentially a twofold program — because it will become involved in both wholesale and retail financing for converters and dealers.

Chevrolet has retained an open mind, and it has left open the possibility of exploring an idea presented by the Van Industry Alliance. The proposal calls for Chevrolet to set up a cooperative vehicle pool upon which small converters could draw for chassis.

Chevrolet officials haven't made up their minds on adopting that modification to their program, although they didn't rule it out. They were adamant, however, about retaining their original program guidelines, regardless of any possible modification.

Meanwhile, the flow of van chassis to converters — which had been slow — has been accelerating rapidly, Elkhart-area companies confirmed.

Chevrolet got off to a slow start in filling the van chassis pipeline because of its extremely low level of carryover 1988 model chassis, Pfingst said. It is now running 50 percent ahead of last year's production level, and "people should begin to really see a surge" in availability, he added.

Larry LaGuardia, vice president and general manager of Aviator Conversions, Elkhart, was one of the converters who confirmed the recent increase of chassis shipments into Elkhart.

Meanwhile, Chevrolet has created a pool of about 1,800 to 2,000 chassis for recently appointed new members of its pool system to draw on until their own orders begin arriving. The pool is intended to help newcomers survive during the six-week wait normally required to get chassis orders filled.

Winnebago aims 2nd van plant at East

RV TRENDS

JOSEPH BOHN

Winnebago Industries is gearing up to become a major player in the van-conversion market.

The company recently opened a new van-conversion production facility in Bear, Del., increasing its access to the New England and mid- and south-Atlantic states, according to Rex Shorten, general sales manager of Winnebago's van division.

The company previously had van-conversion production facilities only at its Forest City, Iowa, headquarters, thus its sales potential was limited.

As Shorten noted, "It becomes prohibitive from a cost/freight standpoint to ship van conversions to the East Coast markets" out of a Western facility.

Now, Winnebago has some ambitious sales targets.

After wholesaling about 1,800 van conversions in its 1988 fiscal year that ended Aug. 17 — an increase of nearly 60 percent over the previous year — Winnebago is sighting 3,000 sales for fiscal 1989.

That includes about 2,000 shipments out of Forest City and about 1,000 out of its new Delaware facility.

The company also has been signing new dealers and expects to have 35 to 40 "strong" new dealers by the end of fiscal 1989.

Winnebago has bailment pool agreements with Ford, Chevrolet and Dodge at its Forest City facility. It has received approval on additional agreements from Ford and Chevrolet covering its new Delaware operation and is in the process of being approved by Dodge, Shorten added.

The company provides a complete range of mini- and full-sized van conversions, he added.

The new Delaware plant is just starting to get up to "a line rate conducive to popping out some real numbers. We've been running minimum volume there up to now, as part of a learning curve," Shorten said.

The company's new-dealer efforts will be pretty well spread among Ford, Chevrolet and Dodge outlets, he said, noting that the Winnebago models have been "well accepted in the East."

Starcraft boats

Starcraft Corp. of Topeka, Ind., signed a definitive agreement to sell its Starcraft Power Boats Corp., a wholly owned subsidiary, to Brunswick Corp.

Terms were not disclosed.

The acquisition is expected to be completed this month.

Starcraft Power Boats Corp. has its major manufacturing facilities in Topeka and Delhi, La.

Starcraft intends to use the proceeds from the sale to reduce debt resulting from the company's management-led buyout, which was completed in July 1987, and focus its efforts on its van-conversion and RV products businesses, according to its Chief Executive Officer Don Cuzzocrea.

Ford, Conrail team up

Consolidated Rail Corp. opened a new automotive terminal in Elkhart, Ind., to facilitate delivery of Econoline vans from Ford's van assembly plant in Lorain, Ohio, to Elkhart van converters.

Conrail is coordinating the entire transportation package — from Ford's assembly plant to the van converters, including forwarding of the vans from the new terminal by truck. That enables Ford to deal with only one party.

Shipment time from Lorain, Ohio, to Elkhart is 24 hours.

Cruise seeks dealers

Cruise America, one of the nation's largest retailers and renters of RVs, has undertaken a program to expand its rental dealer network.

The company is encouraging qualified potential dealers to contact the firm for information.

The Miami-based firm operates a fleet of 3,000 vehicles.

TraTech's 1989 Diamond Edition
TraTech, Fort Worth, Texas, features a top-of-the-line Centennial, along with Regatta and Diamond Edition models, in its 1989 lineup. The Diamond Edition shown here was redesigned with a crisp, uncluttered look, with economy in mind.

Yoder elected RVIA chairman

RESTON, Va. — The Recreation Vehicle Industry Association has elected officers for 1989.

Allen Yoder Jr., president of Jayco Inc., Middlebury, Ind., was elected RVIA chairman.

Melvin L. Adams, vice president and general manager — RV group of Coleman Co., Wichita, Kan., was elected first vice chairman. Wayne Dahl, senior vice president and chief financial officer of Holiday Rambler Corp., Wakarusa, Ind., was elected second vice chairman.

John Casey Jr., president of Shurflo, Santa Ana, Calif., is secretary. Stephen T. Decker, president of Skamper Corp., Bristol, Ind., is treasurer.

Six persons were elected to the 21-member board of directors. Robert B. Lee, president of Country Coach Inc., Junction City, Ore., was elected Western motor home representative. Don R. Pletcher, chairman of Damon Corp., Elkhart, Ind., was elected Eastern travel trailer representative.

Four at-large directors were elected: Gerald E. Boman, senior vice president of Winnebago Industries, Forest City, Iowa; Michael S. Mitchell, president of Nu Wa Industries, Chanute, Kan.; RVIA immediate past chairman Don Cuzzocrea of Starcraft Corp.; and Yoder.

RVIA has formed a new committee to address unique supplier issues because suppliers felt their concerns had not been addressed by the association.

Import stocks hit 11-month low

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Imported-car and light-truck stocks on Oct. 1 were whittled down to the leanest levels in 11 months, although September's slower sales pace kept the days' supply up.

Each of the last two months opened with a 58-day supply. On Oct. 1 a year ago, imported-car and truck stocks equaled a slimmer 49-day supply.

On Oct. 1, there were 723,482 imported cars and light trucks in stock at U.S. ports, in transit to dealerships and in stores. That was 5.58 percent below last month's combined total of 766,262. A year ago, October opened with 714,897 unsold imported cars and light trucks.

Imported-car stocks shrank 4.02 percent to 582,350 on Oct. 1, compared with 606,740 a month earlier. Although stocks dipped, they represented a 59-day supply vs. a 58-day supply on Sept. 1 because of weaker September deliveries. A year ago, there was a fatter stockpile, 647,966 unsold imported cars, but a leaner days' supply of 48.

The domestic-car stockpile on Oct. 1 totaled 1,385,938, equal to a 60-day supply (Automotive News, Oct. 10). That was 5.32 percent greater than on Sept. 1 when 1,315,919 cars, representing a 59-day supply, were reported.

A year ago, domestic-car stocks totaled 1,396,454, equal to a 57-day supply.

October also opened with 11.53 percent fewer unsold imported light trucks than on Sept. 1. The total was 141,132, equal to a 55-day supply compared with last month's 159,522, representing a 56-day supply. The total was 15.45 percent below the year-ago figure of 166,931, representing a 53-day supply.

Over the last two months, the German automakers' share of unsold cars in this country dropped two percentage points. The Japanese share declined slightly during September.

Three major Japanese firms with U.S.-transplant operations — Toyota, Nissan and Honda — began October with an 8.23 percent share of combined domestic and import car stocks compared with a 10.15 percent share on Sept. 1.

On Oct. 1, the Big 3's combined car stocks — domestic and captive import — grew to 76.1 percent, up from 73.35 percent on Sept. 1.

Of the three transplants, the leanest combined car stocks were Toyota's, which equaled a 15-day supply.

Honda's combined stocks edged up slightly to equal 16 days' worth. Nissan cut its combined car stocks to a 51-day supply from 74 a month earlier.

A few Japanese makes had high stock levels. General Motors' captive Chevrolet stocks equaled a 113-day supply, and Chrysler Motors' captive Mitsubishi stocks reported a 125-day supply.

IMPORT DAYS' SUPPLIES

	Oct. 1, 1988	Sept. 1, 1988	Oct. 1, 1987
Chevrolet	113	88	90
Chrysler/Mitsubishi	125	130	82
Acura	36	52	19
Daihatsu	72	83	—
Honda	16	22	14
Isuzu	108	103	68
Mazda	48	46	44
Mitsubishi	70	64	67
Nissan	73	85	83
Subaru	75	79	59
Toyota	16	17	24
JAPAN	50	52	49
Audi	142	89	47
BMW	61	77	61
Mercedes-Benz	34	44	48
Merkur	80	105	49
Porsche	82	82	58
VW*	103	98	55
GERMANY	80	82	54
Alfa Romeo	147	91	103
Festiva	111	103	51
Hyundai	59	37	20
Jaguar	32	26	18
Peugeot	80	52	85
Pontiac	88	86	31
Eagle/Renault	231	310	279
Saab	57	62	46
Sterling	60	80	73
Volvo	44	47	43
Yugo	127	103	53
Other Countries	76	63	40
Total Import Cars	58	58	48
Isuzu	96	94	91
Mazda	58	68	49
Mitsubishi	96	130	63
Nissan*	37	51	74
Range Rover	44	53	20
Suzuki	—	15	32
Toyota	20	34	35
Chrysler	113	137	39
Total Imp. Trucks	55	56	53
Total Imp. Vehicles	58	58	49

*Includes domestic vehicles

ALLANTE

Italian group cites Cadillac, Ferrari

NEW YORK — Executives of General Motors and Industrie Pininfarina S.p.A. have received an award citing their joint production of the Cadillac Allante as a contribution to stronger ties between Italy and the United States.

The award is sponsored by Gruppo Esponenti Italiani, a group representing major Italian organizations in the United States. Recipients of the 1988 award are John O. Grettenberger, Cadillac general manager, and Sergio Pininfarina, chairman of Industrie Pininfarina.

The Allante, designed by Pininfarina in Italy, is produced and assembled jointly by Pininfarina plants in Italy and Cadillac facilities in the United States.

The award, a sculpture by Italian artist Arnaldo Pomodoro, has been given in the past to Sen. Edward M. Kennedy, D-Mass.; Giovanni Agnelli, chairman of Fiat; David Rockefeller, chairman of Chase Manhattan Bank; and New York Gov. Mario Cuomo.

EPA rebuffed on used-oil labels

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A federal appeals court has overturned EPA's 1986 ruling that used oil collected by car dealers and gas stations for recycling need not be labeled a "hazardous waste."

The agency, in response to complaints filed mainly by gasoline stations, said the "stigma" of the label might make firms reluctant to collect and recycle oil, resulting in stations dumping oil on the ground or into sewers.

However, a three-judge panel of the U.S. Court of Appeals for the District of Columbia said that basing a decision on the "stigmatic effects" was not possible under the Clean Air Act. Instead, said the court, EPA should make the decision based on "technical criteria."

The challenge was brought by the Natural Resources Defense Council.

EPA, which had originally proposed listing used oil from vehicle oil changes as "hazardous," will now take another look and make its decision based on the ingredients of the waste oil.

The EPA has estimated that as much as 1.2 billion gallons generated annually is reusable. The Natural Resources Defense Council said only about half that amount is collected and reused, mostly for heating oil. Toxic chemicals that may be present are benzene and heavy metals such as lead, cadmium and chromium.

Museum piece: hot Buick GNX

FLINT, Mich. — Buick General Manager Edward H. Mertz presented the Sloan Museum with a GNX, a higher-performance edition of the 1987 Buick Regal Grand National. Mertz also announced Buick will donate $5,000 to help the museum develop its new "Flint and the Automobile" display.

The limited-edition GNX has been highly prized on the collector market. The suggested retail price of the GNX was $29,290, but prices on the collector market have often been much higher.

ASC Inc. of Southgate, Mich., a maker of limited-edition vehicles, announced in February 1987, that it would offer 547 GNX models, based on the Regal Grand National, in cooperation with McLaren Engines of Livonia, Mich. The GNX presented to the Sloan Museum is No. 500.

The GNX features modifications of the turbocharged and intercooled 3.8-liter V-6 engine used in the Grand National, as well as special wheels and tires, suspension and exhaust system modifications.

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Chrysler Motors

Oct. 18 — Dallas Auto Auction, Grand Prairie, Texas; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; Riverside Auto Auction, Riverside, Calif.; and Portland Auto Auction, Portland, Ore.

Oct. 19 — A.D.E. of Birmingham, Birmingham, Ala., and Columbus Fair Auto Auction, Obetz, Ohio

Oct. 20 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Oct. 21 — St. Louis Auto Auction, Bridgeton, Mo.

General Motors

Oct. 18 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and National Auto Dealer Exchange, Bordentown, N.J.

Oct. 19 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Indianapolis Auto Auction, Indianapolis

Oct. 20 — Butler Auto Auction, Gibsonia, Pa.; Colorado Auto Auction, Commerce City, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Ford Motor Co.

Oct. 18 — South Seattle Auto Auction, Kent, Wash.

Oct. 19 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Indianapolis Auto Auction, Indianapolis; and Southern California Auto Auction, Fontana, Calif.

Used Car Sales
Auction Averages

October 88	$5,810
Month ago	$5,874
Year ago	$6,010

Model Breakdown
Auction Averages

	Oct. 1988	SEPT. 1988	AUGUST 1988
1988 ...	$9,768	$9,772	$12,473
1987 ...	$7,865	$7,554	$7,919
1986 ...	$6,618	$6,816	$6,891
1985 ...	$5,996	$5,593	$5,819
1984 ...	$4,330	$4,177	$4,308
1983 ...	$3,169	$3,556	$3,583
1982 ...	$2,591	$2,535	$2,479
1981 ...	$1,707	$1,743	$1,887
Overall Average	$5,810	$5,757	$6,019

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HYUNDAI

FROM PAGE 2

year, a Hyundai spokesman said.

In 1987, Hyundai's global exports of the rear-wheel-drive 1.6-liter Stellar and a 2-liter derivative (confusingly enough, also named Sonata) totaled 33,765 units. Only 6,776 were exported in the first half of this year.

"For Hyundai, the importance of the Sonata is something like the second stage booster for the space shuttle. If it fires, Hyundai sails into orbit. If it misfires . . . it'll take a long time to put all the pieces back together," said a Ford executive in Seoul.

The Sonata's development and launch have received all the care of a space shot. Hyundai has poured 30 billion won ($42 million) and five years of development into the project.

More than 90 percent of Sonata is Korean-produced, leading the local press to tout the car as an indigenous product.

However, an auto industry analyst with the Korean Institute for Economics and Technology said that underneath the Sonata beats the heart of a Mitsubishi Galant. Although both engine and transmission are produced by Hyundai, the drivetrain is being built under license from Mitsubishi, which designed it.

Both Daewoo Motor and Kia Motors acknowledge Hyundai's superior degree of engineering self-reliance, leaving some question about the need for foreign equity partners when the required automotive technology can be obtained off the shelf and engineered into products in-house. In that regard, Hyundai is the envy of Korean industry.

Meanwhile, domestic reception of the Sonata has been enthusiastic. A Hyundai spokesman said 12,617 units have been delivered since the car was introduced July 4, and another 11,000 are on back order with customers having to wait eight weeks for delivery.

Initial concerns about finish and trim installation have largely dissipated during the last two months as production has been fine-tuned.

"Domestic car buyers have been reacting very favorably. It looks as if the car will do well, at least domestically," said Jardine's Lim. "Daewoo is the car company that will be hurt most (by the Sonata). Their Royale Salon has been going on forever. It's a very tired presentation."

Despite the warm reception at home, Yoon Ik-Soo, a senior industry research with Ssangyong Economic Research Institute (a securities analyst firm that is part of the Ssangyong Group, a Hyundai rival), predicts Hyundai will find the going tougher the second time around North America.

With the Excel subcompact, Hyundai managed a brilliant performance largely due to the vacuum created by the Big 3 and even some Japanese companies who abandoned the subcompact segment, Yoon said.

"But the Sonata is a compact, and it's going to be up against the U.S. Big 3 compacts as well as the Japanese. There's much more at stake here," he said.

Ironically, Yoon said, it may be tough for Hyundai to compete but, at the same time, danger lurks in being too successful.

"I believe that if exports of the Sonata exceed 100,000 units per year, we're going to see some kind of 'voluntary restraint' agreements imposed by the U.S. government," Yoon said.

Anything over 100,000 units annually is "voluminous," according to Yoon, and overstepping that mark may invoke the wrath of U.S. makers and even Japanese transplants. He maintains that both have their fingers ready on the trigger for a trade action against Hyundai.

While Hyundai denies having set the Sonata's price at this stage, industry sources here are predicting that the 2-liter model will carry a sticker price of $10,000 in the United States, with the price climbing as high as $13,000 depending on the option package.

SONATA

FROM PAGE 2

Park said 20,000 to 30,000 Sonatas will be built in 1989. Production is scheduled to increase to 70,000 in 1990 and to reach full capacity, 100,000 cars on a two-shift basis, in 1991.

The plant eventually will employ 1,200 people, although there are only 200 full-time employees at Bromont now, including 50 Korean nationals. The plant will have 600 employees when commercial production begins in January.

In addition to a million-square-foot plant consisting of a body shop, paint shop, final trim shop and office space, the 413-acre site has a container storage yard, a car storage compound and a 1.4-kilometer (0.9-mile) test track.

Most of the 120 robots used in the welding shop are of Hyundai's own design and manufacture.

Total investment in the plant will be $325 million Canadian ($269 million).

All body stampings, assembled engines and transmissions will be shipped from Korea. Canadian-sourced parts include seats; trim pieces; tires from Michelin's plant in Bridgewater, Nova Scotia; and aluminum wheels from Hyundai's parts plant in Newmarket, Ontario.

Park estimated that "Canadian value added" of Bromont-built cars will be around 20 percent at Job One.

Sonata is the first car to use a General Electric Xenoy fasica front- and rear-bumper system combined with a Xenoy blow-molded beam. Three air-filled bladders collapse progressively under impact. Following a minor collision, air is re-aspirated automatically and the bumper resumes its original shape.

The car is powered by a 2.4-liter port-injected four-cylinder engine that develops 110 horsepower at 5,600 rpm and 138 pounds-feet of torque at 3,500 rpm. A 3-liter V-6 will bow in 1989.

A five-speed manual transmission is standard and an electronically controlled four-speed automatic transmission with overdrive is optional.

MODEL YEAR TRUCK SALES

By segment

	Model year 1988	Model year 1987	Percent Change
Compact pickups	1,326,177	1,439,426	– 7.87
Compact vans	812,182	665,384	+22.06
Compact sport-utilities	682,447	686,092	– 0.53
COMPACT SEGMENT	**2,820,806**	**2,790,902**	**+ 1.07**
Full-size pickups	1,313,817	1,163,768	+12.89
Full-size cargo vans	416,557	399,736	+ 4.21
Full-size passenger vans	70,424	73,753	– 4.51
Full-size sport-utilities	216,934	201,426	+ 7.70
FULL-SIZE SEGMENT	**2,017,732**	**1,838,686**	**– 9.74**
TOTAL LIGHT TRUCKS	**4,838,538**	**4,629,587**	**+ 4.51**
MEDIUMS-HEAVIES	**307,322**	**280,777**	**+ 9.45**
TOTAL TRUCKS	**5,146,360**	**4,910,364**	**+ 4.81**

TRUCKS

FROM PAGE 1

Automotive News' sales tabulation includes only the compact vans that importers report as trucks. The truck industry figure for small vans would be higher if some Japanese van sales, which are reported as car sales, were included in the truck total.

Small van sales benefited from a full year of additional production capacity at Chrysler's St. Louis No. 2 plant and smaller production boosts at Ford Motor Co. and General Motors.

Ford will boost Aerostar production again in the 1989 model year by about 20 percent to accommodate its new stretched model. However, all manufacturers continue to be pretty much capacity-constrained on these vehicles. There won't be any big jump until GM introduces its new front-drive small vans next year.

Full-sized pickups staged an historic turnaround in 1988 by reversing a long-standing downward trend and scoring a 12.89 percent gain for the year.

Big pickup sales should, if the industry continues strong, see the biggest gain of any segment this year because of boosts in production capacity by the domestic makers. Ford recently added a second shift at its Wayne, Mich., truck plant. GM added a second shift in Pontiac, Mich., and Chrysler Motors boosted production in Warren, Mich.

Both Ford and GM were tapped on full-sized pickups in 1988 — Ford more so than GM — and could have sold additional models if they had been available.

Meanwhile, full-sized sport-utility sales were up 7.70 percent, while compact sales in that segment were off slightly, primarily due to a sharp drop at Suzuki. That segment would be larger if some models that importers report as car sales were included.

The class is expected to benefit this year from the introduction of some new models, such as the Chevrolet Tracker and Suzuki Sidekick, initially being imported from Japan but going into production in Canada by spring.

Full-sized cargo van sales increased and passenger vans declined, after manufacturers adjusted the mix to accommodate the van converters.

Additional sales are expected in this segment this year, with overtime at GM's Lordstown, Ohio, and Scarborough, Ontario, plants. Chrysler also boosted big van production sharply at its Pillete Road plant in Windsor, Ontario.

In direct contrast to minivans, 85.53 percent of full-sized vans were sold as cargo or commercial models last year.

Full-sized passenger van sales of 70,424 were off 4.51 percent from 73,753 in 1987.

Compact pickups had, of course, a big slide, due to soft import sales, triggered by higher prices resulting from the strong yen.

Compact pickup sales of 1,326,177 were off 7.87 percent from 1,439,426 in the previous year.

Nissan rewrites dealer agreement

More emphasis on customer satisfaction, handling complaints

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — Nissan Motor Corp. in U.S.A. has revised its dealer sales and service agreement and will begin replacing the current agreement with its 1,100 Nissan Division dealers in the United States.

The new agreements are being mailed to all dealers for their signature today.

The new agreement replaces one in existence since 1979 and addresses "changes in business practices and needs over the past 10 years," according to Nissan Division General Manager Robert J. Thomas.

"The agreement does not represent any revolutionary changes, such as mandatory arbitration, or the right of first refusal in the case of proposed dealership sales," Thomas said. "We feel the new form of agreement maintains the same basic operating philosophy between Nissan and its dealers as the existing agreement."

Nissan will continue to offer a perpetual agreement, however, a provision that gave the dealer's named successor in event of death a two-year agreement has been amended to automatically include the dealer's heirs.

The new agreement also continues a provision for a policy review to handle certain issues that cannot be resolved through usual communication channels, Thomas said.

Nissan said the agreement also calls for updated performance measurements on customer satisfaction, primarily in service and parts areas of the dealership. But he did not elaborate what measurements would be used, who would do the survey and what consumer satisfaction levels would be acceptable.

A spokesman said the new agreement requires that dealers appoint a staff member in charge of customer complaints.

The new agreement also places a greater focus on the importance of the executive manager of the dealership, the person authorized under the agreement to run the dealership on a day-to-day basis.

Nissan had final approval of the executive manager under the old agreement, but now specific requirements and performance review procedures are addressed in the new franchise agreement.

Another new provision requires Nissan to respond to a dealer's proposed buy-sell offer within 60 days of receipt of all required documentation. There was no timing provision in the old agreement.

The changes incorporated in new agreement were reviewed by the Nissan Dealer Advisory Board and the National Automobile Dealers Association, Thomas said.

He said the modifications were based on their input.

"It will better serve the needs of both Nissan and its dealers," Thomas said of the new pact.

STRIKE

FROM PAGE 1

produce the vans' engines or trim, no further layoffs are anticipated, a Chrysler spokesman said.

Besides health and safety matters, the St. Louis strikers are also reportedly upset about what they believe to be Chrysler's plans to increase outsourcing, including the outsourcing of subassembly components. But both the national and local agreements address the problem of outsourcing, a UAW spokesman said.

Outsourcing is not an issue in local bargaining, the Chrysler spokesman said. Local officials could not be reached for comment.

Workers walked off the job at Chrysler plants in St. Louis this summer because of excessive heat. The new contract provides for air-conditioned break areas and other relief measures.

Other factors have been suggested as contributing to the rejection of the contract.

Voting on the new local agreement took place against the background of the recent bitterly fought Region 5 election, in which Jerry Tucker defeated longtime director Ken Worley.

Heavy overtime might also have taken its toll. Workers have been putting in nine-hour shifts and many Saturdays to keep up with the demand for the popular vans.

"They could just be resting up," said an observer, who noted that Chrysler workers recently received a healthy performance bonus check that could tide them over during the shutdown. The minivan plant workers received about $1,150 apiece on Oct. 7.

The politics of a local election, which will be held soon, reportedly also figured in the "no" votes.

The extended-wheelbase Plymouth Grand Voyager, Dodge Grand Caravan and Mini Ram van built in St. Louis and the shorter versions built in Windsor, Ontario, rank with Jeep Cherokee as Chrysler's most profitable products.

"If you look at our bottom line, a disproportionate share of it really is contributed by minivans and Cherokees," said Bennett E. Bidwell, Chrysler Motors president of product and marketing in July.

Last January, Chrysler Corp. Vice Chairman Robert S. Miller Jr. said that truck sales represented 45 percent of the company's volume and accounted for 60 percent of the company's gross profit.

The St. Louis plant produces 700 minivans a day.

The first vote was 792-50 against the contract. The second vote was 1,197 to 1,156.

PRODUCTION

Car output moves up; trucks dip

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. truckmakers scheduled 80,151 units last week, 3.10 percent less than the prior week's 82,712 and 0.71 percent below the year-ago week's 80,723.

Year-to-date, 3,262,065 trucks have been assembled, 6.94 percent more than the 3,050,347 completed last year at this point.

Car output was estimated at 155,136 units last week, 2.11 percent above the previous week's 151,932 and 1.94 percent more than the year-ago week's 152,177.

So far this year, 5,535,903 cars have been built, 1.94 percent fewer than the 5,645,538 assembled last year at this time.

Companies split last week's production as follows: General Motors, 51.99 percent; Ford Motor Co., 22.47 percent; Chrysler Motors, 13.75 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 4.99 percent; Honda of America Manufacturing Inc., 4.52 percent; Nissan Motor Manufacturing Co. U.S.A., 1.81 percent; and New United Motor Manufacturing Inc., 0.47 percent.

GM's Lansing, Mich., plant, which assembles the Buick Skylark and Oldsmobile Cutlass Calais, resumed output last week. A parts shortage had idled 4,000 workers on Oct. 3.

Ford's Lorain, Ohio, plant reopened last week after being down since Aug. 1 for changeover to the 1989 Ford Thunderbird and Mercury Cougar.

GM slated Saturday overtime last week at its Oklahoma City; Arlington, Texas; and Linden, N.J., car assembly plants. Friday overtime was scheduled at the Janesville, Wis., plant which is on a 10-hour/4-day work schedule.

Daily overtime is scheduled at all Ford plants except the Lorain car plant and the Twin Cities, Minn., truck plant.

Saturday overtime was scheduled last week at Ford's Wayne, Mich.; Kansas City, Mo.; Norfolk, Va.; and Lorain, Ohio, truck assembly plants.

Workers at Chrysler's St. Louis (No. 2) plant, which builds Dodge and Plymouth minivans, continued their strike last week over their local agreement. The strike began Oct. 5, and about 6,300 units have been lost.

Cars, trucks slip in Canada

Canadian auto production was scheduled at 17,036 last week, 16.78 percent below the previous week's 20,471 but 11.40 percent above the year-ago week's 15,292.

So far this year, Canadian carmakers have built 838,959 units, 39.29 percent above the 602,299 completed last year at this time.

Truck output was scheduled at 17,831 last week, 4.23 percent below the prior week's 18,619 but 20.62 percent above the year-ago week's 14,783.

Total year-to-date truck production is 724,282, 12.23 percent above the 645,360 built at this point last year.

Canadian auto workers worked only four days last week; Thanksgiving was observed Oct. 10.

U.S. CAR	Week Ended Oct. 15, 1988	Week Ended Oct. 17, 1987	Week Ended Oct. 8, 1988	Oct. to Date	Jan. 1 to Oct. 15, 1988	Jan. 1 to Oct. 17, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,500	790	1,558	3,058	64,409	36,469
Sundance	2,100	1,672	2,247	4,347	61,638	73,227
Reliant	2,200	3,780	2,234	4,434	71,093	101,218
Caravelle	0	548	0	0	9,265	36,928
Gran Fury	200	267	187	387	17,196	5,882
Total Plymouth	6,000	7,057	6,226	12,226	243,601	253,524
LeBaron K	0	954	0	0	7,912	54,634
LeBaron J	2,400	2,831	2,163	4,563	69,450	93,787
LeBaron GTS	150	831	240	390	7,502	31,967
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,000	1,300	2,192	4,192	83,269	4,389
Fifth Avenue	900	2,540	974	1,874	25,064	50,796
Total Chrysler	5,450	8,456	5,569	11,019	187,197	292,675
Omni	1,500	671	1,542	3,042	63,213	31,553
Daytona	1,500	1,897	1,524	3,024	61,035	50,259
Shadow	2,200	1,843	2,154	4,354	80,818	76,001
Aries	2,100	3,697	2,172	4,272	69,445	93,041
Dodge 600	0	697	0	0	8,549	33,130
Dynasty	2,500	286	2,554	5,054	84,721	952
Lancer	200	494	149	349	7,157	19,915
Diplomat	300	561	380	680	15,712	10,589
Total Dodge	10,300	10,136	10,475	20,775	390,690	315,440
CHRYSLER MOTORS	21,750	25,648	22,270	44,020	821,478	877,633
Escort	9,760	9,361	10,812	20,472	319,931	304,919
Mustang	4,221	4,451	4,410	8,631	161,748	170,560
Tempo	3,780	3,262	3,837	7,597	148,596	107,877
Taurus	8,419	8,503	7,793	16,212	314,661	324,462
Thunderbird	324	4,184	0	324	91,259	125,999
Total Ford Div.	26,384	29,761	26,852	53,236	1,034,197	1,033,817
Lynx	0	0	0	0	0	21,352
Topaz	1,525	883	1,660	3,185	56,172	35,253
Cougar	345	2,795	0	345	70,693	110,854
Sable	2,968	1,909	2,765	5,733	107,009	98,116
Total Mercury	4,838	5,587	4,425	9,263	233,874	265,810
Continental	1,454	0	1,135	2,589	39,872	9,610
Mark VII	730	675	557	1,287	21,026	22,474
Lincoln	2,135	3,377	1,696	3,831	99,892	112,998
Total Lincoln	4,319	4,052	3,388	7,707	160,790	145,082
Total L-M Division	9,157	9,639	7,813	16,970	394,664	410,892
FORD MOTOR CO.	35,541	39,400	34,665	70,206	1,428,861	1,444,709
Skyhawk	1,175	959	1,041	2,216	15,579	28,685
Skylark/Somerset	1,685	1,694	0	1,685	39,137	51,560
Century	3,722	2,762	4,828	8,550	103,540	127,246
Regal (rwd)	0	636	0	0	0	35,273
Riviera	620	314	550	1,170	7,161	10,345
Electra	2,443	1,931	2,379	4,822	67,580	72,609
LeSabre (fwd)	2,925	2,162	2,925	5,850	107,414	119,373
LeSabre (rwd)	180	309	176	356	7,851	7,208
Reatta	248	0	231	479	7,782	0
Total Buick	12,998	10,767	12,130	25,128	356,064	450,299
Cimmaron	0	180	0	0	3,693	9,425
Eldorado	743	446	647	1,390	27,967	15,856
Seville	568	541	509	1,077	17,913	13,997
Brougham (rwd)	1,104	1,732	887	1,991	27,258	58,454
Deville (fwd)	4,140	3,491	3,792	7,932	120,382	110,058
Allante	75	50	75	150	1,534	3,920
Total Cadillac	6,630	6,440	5,910	12,540	198,747	211,510
Cavalier	7,491	6,689	7,654	15,145	286,753	245,096
Camaro	3,030	2,377	2,947	5,977	74,880	97,891
Celebrity	3,774	5,213	3,264	7,038	145,185	239,986
Corsica/Beretta	9,238	8,684	10,116	19,354	339,560	267,773
Monte Carlo	0	1,854	0	0	0	58,343
Caprice	5,208	4,483	4,117	9,325	166,944	148,327
Corvette	565	650	562	1,127	17,932	22,327
Total Chevrolet	29,306	29,930	28,660	57,966	1,031,257	1,079,743
Catalina	3,115	2,564	0	3,115	90,282	92,322
Firenza	0	404	0	0	5,230	10,820
Cutlass Ciera	1,224	473	1,511	2,735	23,078	102,291
Cutlass Supreme	3,860	1,611	3,567	7,227	112,362	61,414
Toronado	317	388	277	594	12,160	12,332
88 (fwd)	3,318	3,845	3,803	7,121	124,540	143,743
88 (rwd)	136	230	170	306	9,192	11,157
Olds 98	1,705	2,388	1,650	3,355	57,842	53,572
Total Oldsmobile	13,477	11,903	10,978	24,455	434,686	491,249
Sunbird	2,400	1,685	2,711	5,111	85,445	88,892
Grand Am	5,280	5,800	6,001	11,281	190,045	198,416
Firebird	1,540	1,515	1,739	3,279	50,710	63,780
Grand Prix	4,060	0	4,000	8,060	110,227	0
Pontiac 6000	3,428	1,494	2,874	6,302	71,517	59,091
Bonneville	2,971	2,962	3,506	6,477	93,546	103,808
Safari/Parisienne	95	131	98	193	6,331	7,874
Fiero	0	1,003	0	0	13,297	24,704
Total Pontiac	19,774	14,590	20,929	40,703	621,118	526,565
GENERAL MOTORS	82,185	73,630	78,607	160,792	2,641,872	2,759,368
HONDA	7,145	6,375	7,730	14,875	292,555	257,638
Civic	2,566	722	2,436	5,002	85,517	72,829
Accord	4,579	5,653	5,294	9,873	207,038	184,809
MAZDA†	4,695	199	5,503	10,398	112,552	841
NISSAN	2,870	1,295	2,876	5,746	90,220	101,346
NUMMI	750	3,636	281	1,031	112,368	155,573
Corolla	750	934	281	1,031	43,079	33,896
Nova	0	2,712	0	0	69,289	121,677
VOLKSWAGEN	0	1,993	0	0	35,987	48,432
Golf/GTI	0	1,293	0	0	30,444	37,389
Jetta	0	700	0	0	5,553	11,043
Total Cars, U.S.	155,136	152,177	151,932	307,068	5,535,903	5,645,538
Total Cars, Canada	17,036	15,292	20,471	37,507	838,959	602,299
U.S., Canada Cars	172,172	167,469	172,403	344,575	6,374,862	6,247,837
U.S., Canada Cars and Trucks	270,154	262,975	273,734	543,888	10,361,209	9,943,544

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Oct. 15, 1988	Week Ended Oct. 17, 1987	Week Ended Oct. 8, 1988	Oct. to Date	Jan. 1 to Oct. 15, 1988	Jan. 1 to Oct. 17, 1987
Eagle	0	—	0	0	0	—
Premier	1,020	—	1,016	2,036	47,391	—
CHRYSLER MOTORS	1,020	86	1,016	2,036	47,391	4,345
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	2,584	—	3,283	5,867	137,792	—
Topaz	1,328	—	1,636	2,964	53,426	—
Crown Victoria	2,227	—	2,791	5,018	101,162	—
Grand Marquis	2,333	—	2,932	5,265	102,589	—
FORD MOTOR CO.	8,472	5,834	10,642	19,114	394,979	341,290
Celebrity	463	—	569	1,032	16,373	—
Cutlass Ciera	2,617	—	2,951	5,568	183,308	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	3,200	—	3,967	7,167	127,604	—
GENERAL MOTORS	6,280	9,056	7,487	13,767	356,975	237,331
Civic	1,120	—	1,146	2,266	33,024	—
Accord	0	—	0	0	1,828	—
HONDA	1,120	316	1,146	2,266	34,852	11,344
VOLVO	144	0	180	324	4,782	7,989
Total Cars, Canada	17,036	15,292	20,471	37,507	838,959	602,299

U.S. TRUCK☆	Week Ended Oct. 15, 1988	Week Ended Oct. 17, 1987	Week Ended Oct. 8, 1988	Oct. to Date	Jan. 1 to Oct. 15, 1988	Jan. 1 to Oct. 17, 1987
Caravan	0	—	783	783	73,371	—
Dakota	2,300	—	2,381	4,681	85,246	—
Mini-Ram Van	0	—	90	90	10,162	—
Pickups	2,300	—	2,372	4,672	63,750	—
Total Dodge	4,600	8,550	5,626	10,226	232,529	234,366
Cherokee	3,800	—	4,519	8,319	145,037	—
Commanche	700	—	872	1,572	35,599	—
Grand Wagoneer	300	—	350	650	10,843	—
Pickups	0	—	0	0	0	—
Wagoneer	300	—	277	577	8,795	—
Total Jeep	5,100	4,552	6,018	11,118	200,274	178,498
Voyager	0	—	708	708	68,411	—
Total Plymouth	0	—	708	708	67,776	—
CHRYSLER MOTORS	9,700	13,102	12,352	22,052	497,668	412,864
Aerostar	4,860	—	4,939	9,799	164,961	—
Bronco	1,067	—	907	1,974	43,174	—
Bronco II	908	—	454	1,362	96,084	—
Econoline	5,575	—	5,549	11,124	190,230	—
Heavy trucks	1,311	—	1,309	2,620	52,376	—
Light trucks	11,305	—	10,033	21,338	390,233	—
Ranger	3,436	—	2,903	6,339	264,194	—
Total Ford Div.	28,462	32,798	26,094	54,556	1,201,262	1,172,516
FORD MOTOR CO.	28,462	32,798	26,094	54,556	1,201,262	1,172,516
Astro	3,480	—	4,001	7,481	139,997	—
Blazer	526	—	550	1,076	20,882	—
Mediums/Heavies	370	—	321	691	15,921	—
P-Model	915	—	911	1,826	32,910	—
Pickups	8,823	—	9,527	18,346	284,754	—
S-10	6,629	—	6,218	12,847	241,985	—
S-10 Blazer	3,584	—	4,319	7,903	133,103	—
Sportsvan/Van	1,865	—	2,148	4,013	76,095	—
Suburban	1,398	—	1,976	3,374	55,817	—
Total Chevrolet	27,590	20,279	29,967	57,557	1,001,444	921,294
Jimmy	180	—	279	439	6,054	—
Mediums/Heavies	580	—	569	1,149	29,384	—
P-Model	105	—	111	216	4,379	—
Pickups	2,767	—	2,399	5,166	87,150	—
S-15	1,558	—	1,350	2,908	55,076	—
S-15 Jimmy	1,036	—	1,172	2,208	37,532	—
Safari	905	—	1,126	2,031	35,847	—
Suburban	660	—	509	1,169	24,586	—
Vandura/Rally Vans	568	—	742	1,330	27,245	—
Total GMC	8,359	7,886	8,257	16,616	307,283	307,384
GENERAL MOTORS	35,949	28,167	38,224	74,173	1,308,707	1,228,678
NAVISTAR	1,900	1,647	1,909	3,809	68,628	58,767
NISSAN	1,390	2,259	1,383	2,773	73,600	70,012
AM GENERAL*	450	450	450	900	18,380	13,050
MISCELLANEOUS*	2,300	2,300	2,300	4,600	93,840	94,460
Total Trucks, U.S.	80,151	80,723	82,712	162,863	3,262,065	3,050,347

CANADIAN TRUCK	Week Ended Oct. 15, 1988	Week Ended Oct. 17, 1987	Week Ended Oct. 8, 1988	Oct. to Date	Jan. 1 to Oct. 15, 1988	Jan. 1 to Oct. 17, 1987
Caravan	2,555	—	2,497	5,052	110,613	—
Mini-Ram Van	185	—	189	354	9,895	—
Ram Wagon	835	—	615	1,450	20,546	—
Ram Van	1,715	—	1,746	3,461	55,206	—
Total Dodge	5,270	6,611	5,047	10,317	196,260	310,339
Voyager	2,400	—	2,482	4,882	100,010	—
Total Plymouth	2,400	—	2,482	4,882	100,010	—
Wrangler	988	—	889	1,877	39,778	—
Total Jeep	988	612	889	1,877	39,778	28,025
CHRYSLER MOTORS	8,658	7,223	8,418	17,076	336,048	338,364
FORD MTR. (lt. trks.)	2,888	2,554	3,584	6,472	127,441	117,916
Light trucks	2,938	—	2,816	5,754	121,234	—
Vans	1,277	—	1,385	2,662	46,431	—
Total Chevrolet	4,215	—	4,201	8,416	167,665	—
Light trucks	1,382	—	1,612	2,994	60,519	—
Vans	478	—	530	1,008	23,504	—
Total GMC	1,860	—	2,142	4,002	84,023	—
GENERAL MOTORS	6,075	4,822	6,343	12,418	251,688	181,427
NAVISTAR	210	184	274	484	9,105	7,853
Total Trks., Canada	17,831	14,783	18,619	36,450	724,282	645,360
U.S., Canada Trks.	97,982	95,506	101,331	199,313	3,986,347	3,695,707

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Saturn loss no surprise

Economy, land cost prompt dealer caution

By Michelle Krebs and Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTERS

Another Saturn dealer said last week that he no longer is interested in the Southern California area he was assigned, although he remains extremely interested in obtaining a Saturn franchise elsewhere.

Two of Saturn's nine initial dealers previously confirmed they had withdrawn their letters of intent to carry the forthcoming General Motors car.

GM isn't panic-stricken; instead, Saturn executives and dealers said they expected some defections and predicted there could be more.

GM President Robert Stempel called Saturn "a helluva gamble" that will require dealers who are firmly committed to Saturn for the long term. Saturn is GM's newest division whose mission is to take a clean sheet of paper approach to every aspect of the automobile business, from manufacturing to retailing.

"When we launch a new product," Stempel said, "we've got to have a dealer who is fully committed to making it go. It can't be 'Well, if it goes, I like it' . . . We don't want them worrying about having too much money in the franchise or whether the return is too slow."

Stempel's remarks came after it was reported that two of Saturn's first nine dealers selected for Southern California backed out of the deal (Automotive News, Oct. 17).

Joe MacPherson, a Santa Ana, Calif., dealer, withdrew, saying Saturn did not fit his development plans.

Kenneth Nieman, principal of City Chevrolet in San Diego, retracted his letter of intent for the San Diego area. He said he is not considering being a Saturn dealer and has no commitment to Saturn, but he said last week that he told Saturn he would be willing to look at another region.

After studying Saturn's plan for San Diego, Nieman concluded it was not viable because he could not predict when he would see a profit on the required investment.

Dalip Singh Sethi, a GM minority dealer and the smallest-volume dealer of the Southern California group, said he wants a Saturn franchise in California but in an area other than the one he had been assigned. He said that the cost of property in his assigned area, which he did not reveal, was triple what Saturn had projected, making it unfeasible.

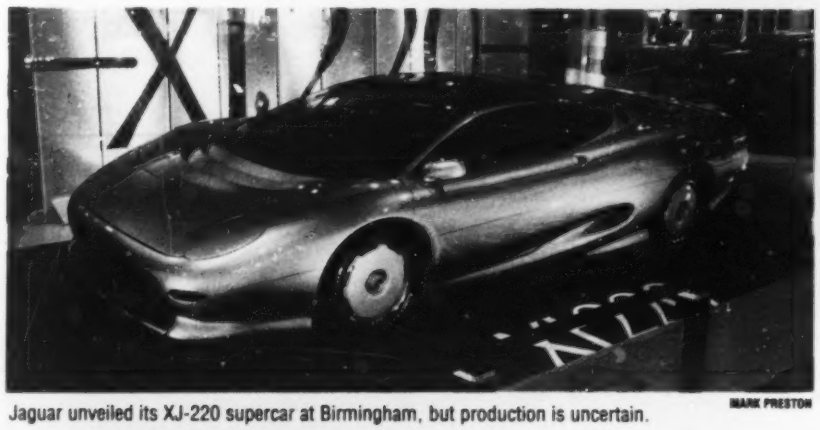
Saturn is looking for another area for him. Singh has a dealership in Delano, Calif., with Pontiac, Buick, Cadillac and GMC franchises.

Six of the original nine dealers in Saturn's first wave, meanwhile, have said they will go ahead with the franchise as planned. At least one has signed a franchise agreement, has purchased a piece of land and is negotiating to buy a second plot for his Saturn outlets.

Saturn executives and dealers who have taken on the franchise or have applied for it said the defections did not surprise them, and they would expect there will be more dealers opting not to go with Saturn as time goes on. Nevertheless, they remain convinced the Saturn approach is the right one.

"It's a big undertaking," Stempel said at

see SATURN, page 52



Jaguar unveiled its XJ-220 supercar at Birmingham, but production is uncertain.

MARK PRESTON

BIRMINGHAM: *New cars star; Ford plant to U.K.*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

BIRMINGHAM, England — As Aston Martin launched its new flagship at the Birmingham Auto Show, it was close to finalizing plans with its Ford parent to produce a new higher-volume model in a brand new plant.

And Ford Motor Co., the market leader in the United Kingdom, used the show to announce plans to erect a £725 million ($1.27 billion) engine plant employing 3,000 workers at Bridgend, South Wales, rather than in Spain as had been speculated. Ford called it the largest single investment in an auto engine plant anywhere in the world.

The decision was a victory for the United Kingdom over Valencia, Spain, where Ford has major car and engine assembly facilities. It also helped assuage feelings left over from Ford's recent cancellation of plans for a £100 million ($175 million) electronics plant in Dundee, Scotland, that was instead put in Spain.

The engine plant will build up to 850,000 units annually of the company's new Zeta engine family, which will displace 1.4 to 2 liters for passenger cars and light-commercial vehicles. Sixty percent are slated for export to Ford plants in Europe.

Audi's Coupe also bowed, but with less fanfare.

Meanwhile, Jaguar is studying whether to put the XJ-220 supercar it displayed last week at the Birmingham show into production. The project has been turned over to the new JaguarSport Ltd. joint-venture company.

Aston vied with Jaguar for show-stopping honors. Jaguar wowed the press-day throng with the XJ-220, but 90 minutes later, Aston attracted the biggest single floor crowd of any recent European auto show when it took the wraps off its Virage replacement for the V-8 Saloon.

Journalists overflowed the Aston stand and spilled onto the walkways and adjacent stands. The upper level of the Morgan Motor

see BRITISH, page 53

Makers win N.Y. lemon challenge

By Helen Kahn
SENIOR CORRESPONDENT

In a major victory for the auto industry, a federal judge in New York struck down six provisions in the state's lemon law dealing with manufacturers' arbitration programs.

The provisions were 1986 amendments to the 1983 lemon law.

The court threw out the six separate mandatory provisions involving the programs that were challenged by the auto industry on grounds they were pre-empted by the 1975 U.S. Magnuson-Moss Act and by the Federal Trade Commission rule (known as 703) covering the makers' informal dispute settlement mechanisms.

The provisions are:

- A requirement that an automaker's informal dispute settlement mechanism allow an oral hearing if the consumer asks for it. FTC Rule 703, which pre-empts state law, allows an oral hearing only if both the consumer and the automaker agree.
- A requirement making the arbitrator's decision binding on the maker but not on the consumer. Rule 703 says the mechanisms are non-binding and require only that the warrantor act in good faith in deciding whether or to what extent it will abide by the decision.
- A requirement that arbitrators be trained in arbitration and be familiar with the provisions of the lemon law. Rule 703 requires only that the informal dispute settlement mechanism be competently staffed to ensure a fair and expeditious resolution.
- Additional recordkeeping requirements beyond those in the Magnuson-Moss Act and Rule 703.

see N.Y. LEMON, page 54

Export push is on at GM

Goal is 100,000 in '89 and double that in '91

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

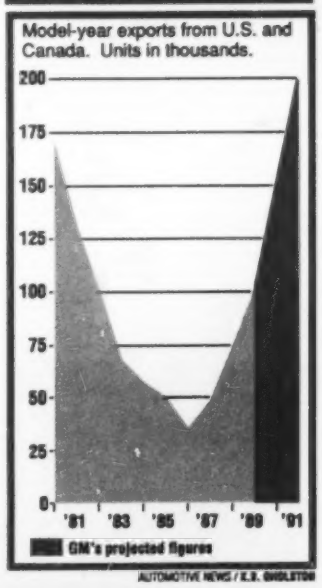
DETROIT — General Motors' aggressive campaign to sell more of its North American-made vehicles in foreign markets has it confidently predicting export sales of 100,000 units this model year and 200,000 by 1991 — nearly enough to keep one full plant running full-speed.

GM's export sales jumped from 47,000 in the 1987 model year to 72,830 in the 1988 model year. By the time the 1988 calendar year closes, GM will have sold 80,000 North American exports, predicted Robert White, executive in charge of GM's international export sales division.

By the 1991 model and calendar years, White projects that export sales will hit 200,000, exceeding the record of 170,000, set in 1979.

see GM EXPORTS, page 54

GM exports rising



AUTOMOTIVE NEWS / E.E. SHELETON

Soviets ask Fiat for huge plant

1 million cars per year

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat S.p.A., which built the Soviet Union's largest auto assembly facility in the late 1960s, has been approached by the Soviets about a new joint venture for production of a million 1-liter cars per year.

The plan would involve construction of a huge facility estimated at more than $5 billion and would nearly double the Soviets' annual output of autos, which currently stands at 1.3 million units.

During a trade fair for Italian products in Moscow, Fiat Chairman Giovanni Agnelli told a news conference that he has been approached by Soviet Prime Minister Nikolai Ryzhknov about collaborating on a new car production venture.

Agnelli said his company is open to possible cooperation and said he believes Fiat is the preferred candidate for the Soviets'

see FIAT, page 54

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HONDA

New valve timing, turbo boost engine torque, power

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Honda Motor Co. of Japan has developed a new valve-train system and a new turbocharger, both of which are designed to widen engine power ranges.

In the design of internal combustion engines, engineers traditionally have had to make a trade-off between low-speed and high-speed power and efficiency. The horsepower output of engines producing a great deal of torque at low speeds often tails off as the speed increases. Likewise, engines that produce high horsepower at high speed often are weak at low speeds. Optimum fuel economy and emissions control also are tied into speed ranges. Honda's systems are designed to allow engines to produce a wider range of horsepower and torque.

The profile of a camshaft lobe determines the length of time and distance a valve opens. As a result, it can largely control the power curve of the engine.

In the Honda "variable valve timing and lift mechanism" (when applied to a double-overhead-cam, four-valve-per cylinder engine), there are three cam lobes for the intake side and three lobes for the exhaust side of the engine. When operating at low speed, sets of two low-speed cam lobes open and close the intake and exhaust valves.

When engine speed increases, a computer control sends a signal to rocker arm mechanicals under the camshafts, activating the high-speed cam profile. At that time, the third lobe controls valve lift and duration. In an experimental 1.6-liter DOHC engine, Honda was able to boost horsepower from 130 to 160. Production plans have yet to be announced.

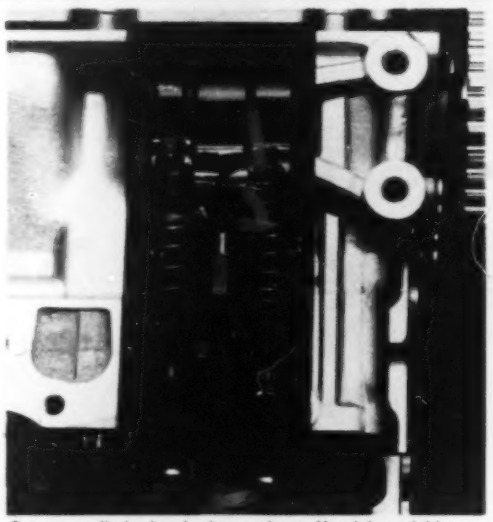
There is a trend in the auto industry to develop valve and induction systems that provide a wide range of power and offer good fuel economy. In those systems, electronic engine controls work with mechanical components to change intake system configurations to best suit operating conditions.

One of the first such systems was introduced by Alfa Romeo in 1980 in its two-liter DOHC Spider powerplant. The first-generation Alfa arrangement was a hydraulically and mechanically operated variable valve timing system designed so the engine could meet U.S. emissions standards while maintaining high power output. That system was integrated with electronic engine controls in 1985; a further refined system now is in production.

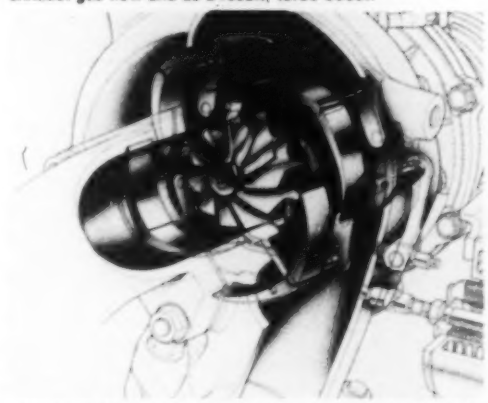
Another example of electronically controlled induction systems is in the new Ford Taurus SHO. The 3-liter, Yamaha-built V-6 in that car uses two sets of intake runners to widen the power band. At low speeds, the engine is fed a fuel-air mixture through intake runners tuned for low speed. As engine speed increases, electronics activate a set of intake runners tuned for high speeds.

The Corvette LT5, a four-valve-per-cylinder V-8, has two sets of intake valve cam profiles. When more power is needed, throttles in a second set of intake runners open to allow fuel-air mixture to reach the intake valves operated by the high-speed cam.

Honda calls its new turbocharger a "variable wing turbo system" and describes it as a major advancement in turbo technology. The system already is available in 2-liter V-6-powered Japanese versions of the Acura Legend and boosts horsepower from 145 to 190.



Cutaway cylinder head, above, shows Honda's variable valve timing and lift mechanism. The outboard camshaft lobes operate valves at low engine speeds, and the center lobe controls high-speed operation when its rocker arm is activated by computer. Below, computer-controlled hinged wings around the turbocharger's exhaust turbine open and close to control exhaust gas flow and as a result, turbo boost.



The system adjusts the angles of four wings around the exhaust turbine to control the speed of the exhaust flow and the pressure of the turbo charge. When the driver accelerates from low speed, the wings close instantly and contribute to the elimination of turbo lag, according to Honda. The variable wings are computer controlled in conjunction with the fuel injection.

Such variable geometry turbochargers are not new, but are relatively rare on production vehicles.

Garrett Automotive Group is developing variable vane turbochargers — Garrett calls them variable nozzle turbochargers. Like the Honda turbochargers, they have multiple vanes activated by an engine control computer to adjust the velocity of the exhaust past the turbine wheel. When used in conjunction with fuel injection and electronic engine controls, variable nozzle turbines allow air flow to the engine to be controlled from low to high speeds, and they increase power throughout the speed range of the engine.

Ephlin to step down as UAW's GM chief

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Donald Ephlin, head of the UAW's General Motors department and pioneer of cooperative policies that changed the union's relationship with the automakers is stepping down.

Ephlin, 63, said last week he will not seek re-election as a union vice president at the UAW's convention in June, but will continue in his job until then.

Stephen Yokich, UAW vice president and head of the union's Ford Department, is most often mentioned as Ephlin's likely successor, though the choice rests with UAW President Owen Bieber. The head of the GM Department, the UAW's largest, has often moved to union president.

Ephlin said he is stepping down now because the joint programs with GM are yielding results and both UAW staff and local leaders are prepared to carry them on. He said that wasn't the case three years ago when he first thought of stepping down.

Though he did not detail his plans, Ephlin said he will continue to be involved in labor-management work.

Paying tribute to Ephlin's "leadership and insight" at a press conference last Friday, Bieber said that Ephlin helped spearhead "the difficult transitions that had to be made and should have been made" to deal with GM's market share loss.

Bieber's comments last week indicate that the UAW is committed to the philosophy of cooperation.

"Ephlin is the person who has done the most in bringing the union to work together with company management for competitiveness. He is the person who pioneered joint programs," said James Whitey Hale, president of Local 326 at the GM Fisher Guide plant in Flint, Mich.

Ephlin's genial style and his mediating stance in advocating the benefits of employee participation both to workers and management have drawn fire from critics who believe he has not been tough enough with the corporation.

UAW dissidents said Ephlin's move to not seek re-election, coupled with this year's retirement of Marc Stepp, UAW vice president in charge of the Chrysler Department, will trigger a reshuffling on the union's executive board and through the ranks of regional posts.

They feel the reshuffling will create the opportunity for them to gain more influential posts and greater say in union affairs.

But no one sees any major changes in the joint programs at GM for now. And though Yokich's outward style is radically different from Ephlin's, he oversees identical joint programs at Ford.

One local GM president said that GM locals could work with Yokich because he is a strong leader. "I would expect Steve to take a tougher line than Don," said one local union president.

Besides Yokich, Bieber's administrative assistant, Richard Shoemaker, has been mentioned as a possible replacement for Ephlin.

Automotive News Staff Reporters Mary Connelly and Michelle Krebs contributed to this report.

Right number, but wrong Pepe

WHITE PLAINS, N.Y. — The phone was ringing off the hook at Pepe Motor Corp., a Mercedes-Benz dealership here, with concerned callers asking if it was true the dealership was going out of business.

Sal Pepe, vice president and son of owner Eugene Pepe, said it wasn't so. Pepe is not related to Richard T. Pepe, nor is he involved in the Pepe megadealer chain that was auctioned this month in a U.S. Bankruptcy Court in Camden, N.J.

"We got calls from people all over the country asking what happened to us," Pepe said. "I really wasn't aware of the Pepe chain until I went to Atlantic City and the girl at a checkout counter said she bought all her cars from me. I later realized that she wasn't driving all the way to New York City to buy."

Richard T. Pepe's dealerships, located in central and southern New Jersey, were auctioned for more than $30 million. Pepe had filed for bankruptcy, listing debts of $50 million against assets, which included the dealerships, of $54 million.

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Dingell — intimidator, import foe, Hill giant

By Jayne O'Donnell
SPECIAL CORRESPONDENT

WASHINGTON — Standing 6 feet 3 inches, Rep. John D. Dingell Jr., D-Mich., carries himself with the imposing stature of a bear. "Big John," as he is often referred to, "can initimidate you just by putting that big arm around you," says one Capitol Hill regular.

Most likely, however, he will use his position as chairman of the powerful House Energy and Commerce Committee and its oversight and investigations subcommittee to get his way.

In his position, Dingell has tremendous impact on legislation affecting the auto industry, ranging from safety and emissions to trade policy.

He's been variously described as a front-man for the auto industry when he has blocked clean-air legislation and a power-grabbing bully when he has intimidated the heads of executive-branch agencies.

"If John Dingell had his way, every human endeavor would have to go through his committee," says one House leadership aide.

"It's got to be a bureaucrat's worst nightmare to go before his panel," says a trade lobbyist.

MARC BIEGAL

Tough-guy Dingell flashes a friendly smile

"We ask them questions, and sometimes they are less than nice. I don't ever remember browbeating anyone," Dingell says with a laugh.

But the 62-year-old chairman claims he's only carrying out his committee's mandate.

"I was not the fellow who wrote the rules that defined the responsibilities of this committee," Dingell said in an interview. "Some very, very wise men did that 200 years ago."

And that was long before the invention of the automobile.

With a twinkle in his eye, Dingell admits, "I guess you could say I have been an activist chairman."

While at the wheel of the committee, Dingell has gone after government officials like EPA Administrator Anne Burford and former presidential aide Michael Deaver. His committee has stalled Clean Air Act amendments and NHTSA authorization measures and has investigated U.S. Customs treatment of imported sport-utility vehicles. He's promised similar investigation of "sudden-acceleration" problems.

It is that combination of legislative control and oversight of executive-branch agencies through his committee that has made Dingell so formidable. And he's not shy in exercising his powers.

Dingell, an avid hunter, thrives on a good legislative battle. But he hates to miss his target — and seldom does.

Tom Greene, executive director of legislative

see DINGELL, page 34

BEST COPY AVAILABLE

September truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	13,283						13,283	10,820
	YR	140,146						140,146	102,230
DODGE	MO	40,662						40,662	46,631
	YR	442,033						442,033	435,646
JEEP	MO	21,214						21,214	18,306
	YR	186,679						186,679	150,024
TOYOTA	MO	21,664						21,664	25,275
	YR	191,883						191,883	236,023
NISSAN	MO	16,908						16,908	18,732
	YR	131,756						131,756	167,129
MAZDA	MO	8,344						8,344	8,261
	YR	75,014						75,014	100,701
ISUZU	MO	8,718						8,718	7,931
	YR	65,169						65,169	89,526
MITSUBISHI	MO	3,323						3,323	4,433
	YR	33,466						33,466	38,454
SUZUKI	MO	761						761	6,077
	YR	50,517						50,517	65,259
SUBARU	MO	0						0	85
	YR	10						10	1,203
RANGE ROVER	MO	329						329	248
	YR	2,527						2,527	1,549
FORD	MO	116,155	1,645		883	2,773	1,111	122,567	114,968
	YR	1,108,776	14,726		8,687	27,688	11,052	1,170,929	1,099,906
FREIGHTLINER	MO						2,188	2,188	2,220
	YR						17,166	17,166	17,438
CHEVROLET	MO	93,722		5	525	875		95,131	98,311
	YR	1,005,421		177	5,645	7,196	273	1,018,712	907,105
GMC	MO	25,212		316	663	970		27,161	27,446
	YR	268,711		3,842	9,840	12,167	1,090	295,650	266,011
KENWORTH	MO					39	1,835	1,874	1,246
	YR					351	12,227	12,578	10,587
MACK	MO				197	252	1,717	2,166	1,891
	YR				1,416	1,928	15,925	19,269	17,978
MERCEDES	MO				72	160		232	300
	YR				852	1,471		2,323	2,892
NAVISTAR	MO		30	26	1,349	2,819	2,715	6,939	6,465
	YR		189	265	13,869	24,300	24,968	63,391	53,893
PETERBILT	MO					44	1,738	1,782	1,314
	YR					249	11,717	11,966	9,041
VOLVO	MO					130	1,682	1,812	863
	YR					1,102	11,125	12,227	8,991
HINO	MO			66	48	101		215	212
	YR			481	379	687		1,547	1,439
NISSAN DIESEL	MO	3		65	17	99		184	116
	YR	3		563	226	764		1,556	1,211
ISUZU TRUCK	MO	449	40	13	41	80		612	482
	YR	3,574	306	100	668	317		4,965	4,197
MITSUBISHI FUSO	MO	208		76	31	63		378	158
	YR	1,105		388	182	475		2,150	1,084
SCANIA	MO						2	2	15
	YR						122	122	118
IVECO TRUCKS	MO	216	62	32	2			312	283
	YR	1,008	505	260	120			1,893	2,061
WESTERN STAR	MO						107	107	118
	YR						1,108	1,108	1,043
OTHER DOMESTICS	MO						96	96	81
	YR				31		646	677	918
GRAND TOTAL	MO	371,171	1,786	603	3,828	8,385	13,191	398,964	401,268
	YR	3,716,798	15,726	6,076	41,715	78,695	107,419	3,986,429	3,775,457
1987 YR to DATE		3,561,130	643	6,262	32,095	77,674	97,653	3,775,457	

NOTE: Class 3 total includes 65 Subarus sold in August 1987; also, 10 Subarus sold for nine months of 1988 and 1,203 sold for eight months of 1987.

Volvo GM is bullish

1st-year sales strong; new products bow

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Volvo GM Heavy Truck got off to a good start its first year in business and is continuing to invest heavily in new products.

At the Michigan Truck and Trailer Show, it introduced new models, including regional/vocational trucks and tractors and high-cabover tractors.

Volvo GM officials are "extremely bullish" about the Class 8 market. Larry Oliphant, vice president of sales and marketing, looks for calendar 1988 Class 8 sales in the United States to be the third best ever, coming in at between 140,000 and 145,000.

The record is 173,543 in 1979, followed by 161,608 in 1978 and 137,693 in 1984, according to the Motor Vehicle Manufacturers Association. Last year, the industry retailed 131,156 Class 8 units.

Oliphant added that the first quarter of calendar 1989 looks "very encouraging," based on current dealer orders. He said the first half looks strong, and he said he feels the whole year will, at worst, be within 10 percent of 1988.

Volvo GM expects to retail 18,500 to 19,000 Class 7 and 8 trucks in the United States this year, up from Volvo White's best year year of 12,600 in 1986. The 1988 figure includes 4,500 to 4,600 GMC-built Brigadiers, which will be phased out Dec. 16 at Pontiac, Mich.

Meanwhile, Volvo GM expects to be building 95 trucks a day by next fall. It is currently building 60 a day at Dublin, Va., and 13 a day at Odgen, Utah. A new plant at Orrville, Ohio, which begins production Jan. 2, is expected to add 20 units a day, and the Odgen plant can be expanded to 15 a day.

"Market conditions will dictate how fast we get there (to 95 units a day)," added Thage Berggren, Volvo GM president and chief executive officer.

Volvo GM now has about 200 dealers, covering most major points. It's goal is 225 to 250 dealers, Oliphant said.

He said that "to the best of my knowledge," Volvo GM also has cleared up most of its legal problem involving lawsuits by dealers who lost their franchises.

Meanwhile, all the recent new entries into the so-called "Baby 8" truck segment haven't done much to expand the segment beyond 7,500 sales annually, officials said.

Their new WhiteGMC WG models, aimed at regional and vocational hauiers, feature more horsepower than competitive "Baby 8" models, along with more competitive pricing and economical operation.

The WG is available in tandem-axle tractor and truck models. It is geared to better economy and low life-cycle operating costs, as well as greater comfort and durability, according to Berggren.

The WG features the "family" cab and frame of the Autocar and Aero series, along with a new cab suspension, a 50-inch front-axle setback for improved weight distribution and maneuverability, a spacious cab, a standard low-back air-suspension driver's seat, a medium-length hood with a 10-degree slope and a curved windshield for better aerodynamics and visibility.

It combines a setback front axle with a 112-inch bumper-to-back-of-cab measurement. It has a maximum wheel cut of 48 degrees for a short turning radius in tight areas.

A Cummins L10 PT-240 with 240 hp at 2,100 rpm and a peak torque of 900 pounds-feet at 1,300 rpm is standard on the WG truck, and a Cummins L10 F-240, with 240 hp at 1,900 rpm and 860 pounds-feet of torque at 1,300 rpm, is standard on tractor models.

A new cross-flow radiator with cooling capacity up to 320 hp is standard.

A variety of Cummins, Detroit Diesel and Volvo engines, ranging from 240 to 320 hp are optional.

Standard on both truck and tractor models is the Spicer PS-125-7 transmission with seven forward speeds. Also standard are the Rockwell FF961 Easy Steer front axle with a 12,000-pound capacity and the Rockwell RS23-160 or RT40-145 rear axles with a 23,000-pound or 40,000-pound capability, respectively.

The cab is 84 inches wide and has a new instrument panel.

A new high-cabover tractor with a 63-inch bumper-to-back-of-cab measurement has 10 more inches of room than the current high-cabover non-sleeper, which will be discontinued in December.

It has four to six inches more seat travel and extra behind-seat storage room.

Options include tilt/telescoping steering wheel, high-back driver's seat, pop-out front vents to ventilate the footwell, air rear suspension and cab air suspension.

The new high cabover is available in 4x2 and 6x4 tractors with a 131-inch wheelbase.

It has a standard Cummins F-315 88 Big Cam IV engine, a Fuller RT-11609A nine-speed transmission, a Rockwell FF961 Easy Steer front axle and Rockwell RS23-160 or RT40-145 rear axles.

Volvo GM Heavy Truck's new WG series features aerodynamic lines